

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

BANK OF AMERICA, N.A.,)	
)	
Plaintiff,)	
v.)	Case No.: 4:10-cv-00563-RWS
)	
ANALYTICS, INC., <i>et al.</i> ,)	
)	
Defendants.)	

REPORT OF RECEIVER FOR THIRD QUARTER OF 2011

COMES NOW Morris-Anderson & Associates, Ltd. (the “Receiver”), the duly-appointed Receiver in this matter, by and through its undersigned counsel, and hereby submits this quarterly report for the above-captioned receivership.

During the quarter beginning July 1, 2011 and ending September 30, 2011, the Receiver has focused on three main issues: (a) preparing and filing 2010 state and federal income tax returns, (b) obtaining the information required to trigger release of \$800,000 presently held in escrow, and (c) auditing and terminating the employees’ 401(k) Plan.

1. **Tax Returns.** The Receiver, working in conjunction with SWF Partners, LLP, an accounting firm, prepared and filed all applicable 2010 state and federal tax returns by the September 15, 2011 deadline. Because the Receivership operated some of the receivership companies during 2011, the Receiver will have to file 2011 stub year returns in early 2012.

2. **Release of Escrow Funds.** The sum of \$800,000 is presently being held in escrow with Silicon Valley Bank pending delivery of tax clearance certificates (or similar evidence of non-liability) to address EAG, Inc.’s concerns about successor liability. The Receiver acknowledges that it and EAG have had differing interpretations of the documents that are required to be produced to trigger the release of funds. The Receiver remains cautiously optimistic, however, that this dispute can be resolved short of litigation. In the event that a resolution is not reached soon, however, the Receiver is prepared to file pleadings in this case to resolve the dispute.

3. **401(k) Plan.** Since the 401(k) Plan had more than 100 participants, an audit is required under ERISA to wind up the plan. The Receiver and SFW Partners LLP have been working to complete the audit and to file the necessary final Form 5500 tax returns for the Plan. As reported previously, this process has been complicated considerably by the fact that many of the plan participants worked for Azopharma Contract Pharmaceuticals, Inc. in Florida and the Receiver had no access to records of these participants. In the past quarter, the Receiver did obtain some of these additional records and has been able to begin the required audit.

Dated: November 18, 2011

Respectfully submitted,

THOMPSON COBURN LLP

By: /s/ David A. Warfield

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*Attorneys for Receiver Morris-Anderson &
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CERTIFICATE OF SERVICE

I hereby certify that on November 18, 2011 the foregoing was served upon all parties receiving notice through the Court's CM/ECF system.

/s/ David A. Warfield